

URUGUAY

Recent trends

Uruguay has made strong improvements in development outcomes during the last decades. The country performs well compared to other LAC countries on a range of indicators, including education, poverty reduction, health, environmental sustainability, corruption and citizen security. The share of the population living on less than USD 5.5 a day (2011 PPP) decreased by more than four times from 17.1% to 3.7% over 2006-16. The share of vulnerable population – those living on USD 5.5-13 a day (2011 PPP) – also decreased from 38.1% to 23.8% over the same period. This decrease made Uruguay the best performer in the region for its achievements in poverty reduction. Moreover, the maternal mortality ratio and the infant mortality rate are 15 per 100 000 live births and 7 per 1 000 live births, respectively. These rates are well below the Latin America and Caribbean (LAC) average and in line with the OECD average of 14 and 5.7 respectively.

Uruguay doubled its gross domestic product (GDP) per capita between 1990 and 2017, becoming one of the wealthiest economies in LAC. Yet some problems remain, especially regarding productivity. Labour productivity in terms of GDP per person employed is only 50.8% of the OECD average and total factor productivity growth between 2000-17 was -2.6%.

National strategies and international co-operation for development

“Hacia una Estrategia Nacional de Desarrollo – Uruguay 2050” [Towards a National Development Strategy – Uruguay 2050] presents the long-term objectives and necessary structural transformations for the future sustainable development of the country. It comprises two thematic axes: demographic change and transformation of the productive structure, as well as three transversal axes of gender, cultural development and territorial development.

The productive transformation axis is centred on the digital economy and the bioeconomy. These include the application of nanotechnology and biotechnology to production processes across the economy, such as in the fields of telecommunications, creative industries, manufacturing production and health.

Demography, labour market, education, social security and health are top priorities within Uruguay's National Development Strategy. Additionally, the gender perspective looks at ways to tackle gender inequality and low female representation in politics and other high decision-making positions. The territorial development strategy aims to close the gaps across the different regions of Uruguay and tackle inequalities and heterogeneities.

In terms of public financing capacities, Uruguay's total tax revenues were 27.9% of GDP in 2016 (vs. 22.7% in LAC and 34.3% in the OECD). The country has gradually made e-invoicing mandatory for business-to-business transactions since 2012. Uruguay is both a signatory of the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports and of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information to fight tax evasion.

Uruguay's international co-operation priority is to continue receiving international aid and co-operation to support its transition towards development, while expanding its ability to provide international co-operation in areas where it has proven experience. At the regional level, Uruguay aims to move towards the recognition of its role as both recipient and donor of South-South Co-operation. Moreover, it deems it important to continue strengthening national South-South and Triangular Co-operation strategies. It also seeks to strengthen countries' participation in regional co-ordination spaces to help build strategic alliances and joint positions in global international co-operation forums. At the global level, the country aims to reach an agreement on new measures and alternative criteria to GDP per capita for the allocation of international aid. This would help it better cater to the needs and abilities of countries in the different dimensions of sustainable development.

Uruguay's dual co-operation policy has a universal vocation, although its programme is focused on LAC for reasons of geographical and cultural proximity. In its dual role as both recipient and donor of South-South Co-operation, in 2016 the country's most frequent partners were Mexico and Argentina and the main sectors were health, agriculture and livestock, and governance. As a recipient of traditional co-operation, Uruguay's main non-reimbursable co-operation partners in terms of financial volume were the Inter-American Development Bank, China and Japan. The main sectors were agriculture and livestock, environment and education. For regional and multi-country co-operation, the UN System, MERCOSUR and UNASUR were the most frequent partners. Health, education, agriculture and livestock, environment, culture and sport are the main sectors of intervention.

	Key Indicators					
	Uruguay		LAC [1]		OECD [2]	
	2007	2017	2007	2017	2007	2017
	2006	2016	2006	2016	2006	2016
Income and productivity						
GDP per capita, PPP (constant 2011 international USD) [3]	14 330	20 551	12 603	12 970	38 972	39 586
Labour productivity relative to OECD (%) [4]	39.7	50.8	38.3	36.8	100	100
Households and NPISHs final consumption expenditure per capita (constant 2010 USD) [3]	6 615	9 910	4 305	5 491	22 098	20 441
Economic Complexity Index [5]	-0.1	0.0	-0.3	-0.3	1.1	1.1
Average annual change in total factor productivity, 2000-17 (%) [6]	-2.6		-0.7		0.1	
Social vulnerabilities						
Share of people living in poverty, less than USD 5.50 a day (2011 PPP) (%) [7]	15.0	3.7	34.9	24.0	NA	NA
Share of people living in vulnerability, USD 5.50-13.00 a day (2011 PPP) (%) [7]	36.7	23.8	35.5	36.5	NA	NA
Life expectancy at birth (years) [3]	76.1	77.5	73.7	75.6	78.7	80.1
Mean years of schooling (population at 25 and older) [8]	8.0	8.7	7.4	8.6	11.0	11.8
Net enrolment rate, secondary level (%) [9]	67.6	82.8	66.6	74.4	78.7	90.3
Share of population that did not have enough money for food in past 12 months (%) [10]	24.0	27.0	34.8	44.3	12.0	13.0
Gini index [3]	46.4	39.7	50.8	46.2	32.7	36.5
Share of workers in vulnerable employment (% of total employment) [11]	25.2	23.8	32.6	31.0	12.8	12.6
Infant mortality rate (per 1 000 live births) [3]	10.9	7.0	19.4	14.7	7.9	5.7
Maternal mortality ratio (deaths per 100 000 live births) [3]	23.0	15.0	87.1	74.4	19.0	14.0
Mean PISA score in science performance [12]	427	435	406	412	501	493
Social Institutions and Gender Index (SIGI) (%) [12]	22.2		24.6		17.3	
Environment						
Change in forest area, 2000-15 (%) [3]	34.7		-1.2		0.8	
PM _{2.5} air pollution, mean annual exposure (micrograms per cubic metre) [3]	11.9	11.5	24.7	20.3	15.1	14.9
CO ₂ emissions (kilograms per PPP USD of GDP) [3]	0.13	0.09	0.25	0.23	0.32	0.24
Share of population satisfied with air quality (%) [10]	87.0	84.0	74.0	73.2	74.0	79.0
Share of population satisfied with water quality (%) [10]	91.0	73.0	75.0	70.8	78.0	84.0
Institutions and perceptions about public services						
Total tax revenue as a share of GDP (%) [12]	25.1	27.9	20.8	22.7	33.7	34.3
Share of population satisfied with the educational system (%) [10]	67.0	57.0	68.1	65.0	64.0	68.0
Share of population that believes in honesty in elections (%) [10]	77.0	70.0	36.9	34.9	53.0	60.0
Share of population that thinks corruption is widespread throughout government (%) [10]	44.0	57.0	72.9	74.5	60.0	54.0
Share of population with confidence in national government (%) [10]	61.0	41.0	40.9	36.1	41.0	45.0
Share of population satisfied with roads (%) [10]	66.0	49.0	54.4	53.4	61.0	66.0
Share of urban population satisfied with the availability of quality healthcare (%) [10]	73.0	67.0	55.5	49.9	69.0	69.0
Share of population satisfied with standard of living (%) [10]	60.0	71.0	68.6	69.3	73.0	77.0
Share of population that feels safe walking alone at night (%) [10]	47.0	48.0	46.8	46.2	61.0	72.0
Homicide rate (per 100 000 inhabitants) [3]	5.8	8.5	23.7	21.9	2.0	1.8

Sources, footnotes and technical details can be found at the end of the country notes.



From:

Latin American Economic Outlook 2019

Development in Transition

Access the complete publication at:

<https://doi.org/10.1787/g2g9ff18-en>

Please cite this chapter as:

OECD, *et al.* (2019), “Uruguay”, in *Latin American Economic Outlook 2019: Development in Transition*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/65c08ed7-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.